



Iowa Department of Human Services

INFORMATIONAL LETTER NO. 1923-MC-FFS

DATE: July 16, 2018

TO: Iowa Medicaid Intellectual Disability (ID) Waiver Providers, Targeted Case Managers, Community-Based Case Managers

APPLIES TO: Managed Care (MC) and Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Tiered Rates for Home- and Community-Based Services (HCBS) Intellectual Disability (ID) Waiver - REVISED

EFFECTIVE: July 1, 2018

***** This informational letter serves as a notification to providers and case managers of a correction to Informational Letter No. 1918-MC-FFS. It corrects the H2016-HI tiered rate to \$147.95. All other rates and information in IL1918-MC-FFS remains the same. The updated tiered rate fee schedule and the provider phase two rates will be effective for dates of service beginning July 1, 2018. *****

Effective December 1, 2017, the IME established a fee schedule tiered rate system of reimbursement for Daily Supported Community Living (SCL), full day Day Habilitation and full day Adult Day Care services for ID Waiver members that replaced the provider floor rate reimbursement. Fee schedule tiered rates are designed to assign a standardized rate reimbursement amount paid for services. The rates are based on the severity of a member's disability and the intensity of a member's needs for supports that has been assessed using the Supports Intensity Scale® (SIS). See Informational Letter [1846-MC-FFS](#)¹ issued on November 2, 2017, for information on the initial implementation of tiered rates.

New Rates:

Senate File (SF) 2418 appropriated \$3.0 million state dollars to adjust current SCL daily rate under the tiered rate reimbursement methodology effective July 1, 2018. The tiered rate fee schedule for daily Day Habilitation and full day Adult Day Care services will not change. The tiered rate fee schedule for daily SCL identified below reflects the inclusion of the new appropriation. These rates will replace the SCL tiered rate fee schedule previously sent to providers and posted on the DHS website.

The following are the procedure codes and updated tiered rate fee schedule for the ID Waiver daily SCL services effective July 1, 2018:

¹ https://dhs.iowa.gov/sites/default/files/1846-MC-FFS_TieredRatesforHCBS_ID_Waiver.pdf

SCL for individuals with an authorized average of 39 or fewer hours of service outside the home per month (i.e., SCL “without” day services).

Provider that billed H2016-HI or H2016-U3 prior to 12/1/17, will now bill:

Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	RCF \geq 6 Beds	RBSCS
H2016-U1	H2016-U2	H2016-U3	H2016-U4	H2016-U5	H2016-U6	H2016-HI	S5136-UA
\$212.06	\$221.19	\$272.24	\$275.27	\$313.16	\$369.80	\$147.95	\$308.42

SCL for individuals with an authorized average of 40 or more hours of service outside the home per month (i.e., SCL “with” day services).

Providers that billed H2016-HI prior to 12/1/17, will now bill:

Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	RCF \geq 6 Beds
S5136-U1	S5136-U2	S5136-U3	S5136-U4	S5136-U5	S5136-U6	S5136-HI
\$189.09	\$198.22	\$219.18	\$222.21	\$260.10	\$316.74	\$124.98

Phase-In to Tiered Rates:

Phase one of the tiered rate reimbursement for Daily SCL began on December 1, 2017. SCL Providers who experienced overall revenue reductions or increases were notified of individual provider phase-in rates effective December 1, 2017. The remaining SCL providers were notified that they would begin using the tiered rate fee schedule effective December 1, 2017. Day Habilitation and Adult Day Care providers began the use of the tiered rate fee schedule on December 1, 2017

Phase two of the tiered rate reimbursement is effective July 1, 2018. SCL providers who experience overall revenue reductions or increases will be notified by the IME Provider Services Unit of the phase two individual provider rates. All SCL providers will receive a letter from IME Provider Services notifying them of the individual provider rate or the tiered rate fee schedule for use effective July 1, 2018. The new tiered rate fee schedule is posted the [DHS fee schedule](#)² web page.

Service Plan Changes:

Service providers must identify the fee-for-service (FFS) members they serve and communicate the new provider tiered rate to the member’s case manager for inclusion in the member’s service plan and authorization in the Individual Services Information System (ISIS). The IME will be updating the ISIS provider services tables, but will not automatically load the new rates into member plans. Service plans must be updated by case managers during July 2018 to allow providers to bill the new rates in August 2018. Changes to service plans not completed in July will require the case manager to complete and submit a QA form through the ISIS Helpdesk.

The Managed Care Organizations (MCOs) will be notified of the new provider tiered rates. Prior to billing for July 2018 services, please confirm with the member’s MCO that their claims processing system is updated with the current reimbursement rates.

A [Frequently Asked Question \(FAQ\)](#)³ web page is available for review on the DHS website.

Additional questions may be submitted to the IME at hcbswaivers@dhs.state.ia.us. Please use “tiered rates” in the subject line.

² https://dhs.iowa.gov/sites/default/files/Tiered_Rate_Fee_Schedule.pdf

³ <https://dhs.iowa.gov/ime/providers/csrp/fee-schedule/hcbs-id-tiered-rates-faq>